

GENERAL FUND

The General Fund is the general operating fund of the City. Fund expenditures include basic City services, such as police protection, street maintenance, and recreation. Administrative services, such as human resources and financial management, are also accounted for in the General Fund.

Major revenue sources for the General Fund are taxes and utility fees and intergovernmental revenues. Revenues derived from real property taxation provide the vast majority of the City's operating revenues. Tax duplication payments from Montgomery County also provide a significant portion of General Fund revenues. Commonly referred to as "rebates", these payments are intended to compensate Takoma Park for those services that would be provided by Montgomery County if the City did not provide them. Other General Fund revenues are derived from licenses and permits, fines and forfeitures, investment earnings, and miscellaneous fees and charges.

The City utilizes Generally Accepted Accounting Practice (GAAP) based budgeting for the General Fund. This requires that the modified accrual method of accounting be used to record revenues and expenditures. Revenues are recognized when subject to accrual (i.e., when they become measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities for the same period.

Revenues subject to accrual are property taxes and investment income. User charges, fines and forfeitures, permits, and miscellaneous revenues are not subject to accrual because generally they are not measurable until received in cash.

A key element of the budget is the projected ending fund balance. The fund balance represents the unappropriated accumulation of the difference between actual revenues and expenditures. The source and timing of revenues dictate the level of fund balance necessary to avoid cash shortages in normal day-to-day operations. The City recognizes the need to establish and to maintain adequate reserves to avoid any disruption in services caused by a decline in a significant revenue source and to address timing differences in the receipt of monies.

FY 2008 BUDGET SUMMARY - GENERAL FUND

	<u>Audited FY04</u>	<u>Audited FY05</u>	<u>Audited FY06</u>	<u>Budgeted FY07</u>	<u>Estimated FY07</u>	<u>Proposed FY08</u>
<u>REVENUES</u>						
Taxes and utility fees	8,618,452	9,826,025	10,306,405	10,899,792	11,312,168	12,096,745
Licenses and permits	60,841	63,610	62,415	56,754	74,206	57,654
Fines and forfeitures	104,539	179,323	190,287	175,000	170,500	176,000
Use of money and property	67,280	130,511	184,748	110,000	272,610	200,000
Charges for service	535,401	662,179	725,102	727,900	707,261	848,880
Intergovernmental	3,494,647	4,013,828	4,543,682	4,478,646	4,484,401	4,586,765
Miscellaneous	382,952	212,079	247,158	61,000	80,018	105,000
Total Revenues	13,264,112	15,087,555	16,259,797	16,509,092	17,101,164	18,071,044
<u>EXPENDITURES</u>						
General Government	2,027,868	1,872,710	1,746,817	2,045,372	1,941,536	2,272,324
Police	4,129,507	4,317,704	4,536,969	5,006,654	4,862,937	5,366,755
Public Works	3,127,512	3,298,099	3,374,145	3,507,759	3,322,898	3,758,072
Recreation	911,957	899,148	930,602	1,176,307	963,079	1,265,035
Housing and Community Development	955,228	907,969	978,292	1,349,500	1,298,544	1,456,868
Communications	299,080	323,696	347,211	360,484	353,169	386,695
Library	685,218	726,621	806,369	880,054	873,430	938,348
Non-departmental	606,117	607,466	395,025	1,263,977	893,743	1,784,626
Capital outlay	394,641	1,166,388	1,643,140	1,280,015	1,231,456	1,150,593
Debt service	307,088	373,930	862,505	1,055,193	990,242	1,032,493
Total Expenditures	13,444,216	14,493,731	15,621,075	17,925,315	16,731,034	19,411,809
Excess (deficiency) of revenues over expenditures	(180,104)	593,824	638,722	(1,416,223)	370,130	(1,340,765)
<u>OTHER FINANCING SOURCES (USES)</u>						
Bond proceeds	19,475	2,005,000	0	0	0	0
Sale of Property	0	0	157,951	9,000	8,658	229,500
Operating transfers in (out)	(3,019,513)	(403,141)	(801,268)	(85,881)	(185,075)	(36,750)
Total Other Financing Sources (Uses)	(3,000,038)	1,601,859	(643,317)	(76,881)	(176,417)	192,750
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,180,142)	2,195,683	(4,595)	(1,493,104)	193,713	(1,148,015)
<u>FUND BALANCE</u>						
Beginning of year	5,869,550	2,689,408	4,885,091	4,880,496	4,880,496	5,074,209
End of year	2,689,408	4,885,091	4,880,496	3,387,392	5,074,209	3,926,194

Note: Over the years reflected above, the audit classification of certain revenues changed. For comparative purposes, the audited and budgeted figures shown above have been classified in the same manner as reflected in the FY06 audit.

The FY07 General Fund budget is in the process of being amended. The budgeted amount for Debt Service, Capital Outlay, Sale of Property, and Operating Transfers Out reflect the amended figures.

**GENERAL FUND
FUND BALANCE PROJECTION**

	<u>As Of July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>As Of June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>As Of June 30, 2008</u>
Street Loan Proceeds	117,347	0	117,347	0	0	0	0
Emergency Reserve	332,560	0	0	332,560	0	0	332,560
Equipment Replacement Reserve	882,643	300,000	330,151	852,492	500,000	293,741	1,058,751
WSSC Contribution for Future Street Work	0	0	0	0	130,000	0	130,000
 Total Reserved Fund Balance	 1,332,550	 300,000	 447,498	 1,185,052	 630,000	 293,741	 1,521,311
 Total Unreserved Fund Balance	 3,547,946	 641,211	 300,000	 3,889,157		 1,484,274	 2,404,883
 Total Fund Balance	 4,880,496			 5,074,209			 3,926,194

FY 2008 REVENUES - GENERAL FUND

<u>REVENUES BY SOURCE</u>	<u>Audited FY04</u>	<u>Audited FY05</u>	<u>Audited FY06</u>	<u>Budgeted FY07</u>	<u>Estimated FY07</u>	<u>Proposed FY08</u>
Taxes and Utility Fees						
Real Property	6,078,458	6,923,415	7,369,473	8,057,270	8,172,000	8,864,019
Personal Property	422,086	401,076	323,626	320,000	348,100	341,600
RR and Public Utilities	162,693	174,723	167,041	170,000	167,000	169,444
Penalties and Interest	39,162	41,668	10,325	32,000	25,051	25,000
Admission and Amusement	39	108	486	100	215	300
Additions and Abatements	(16,389)	13,532	(58,142)	0	(7,354)	0
Highway	349,128	530,617	588,812	648,422	607,156	616,382
Income Tax	1,583,275	1,740,886	1,904,784	1,672,000	2,000,000	2,080,000
Total--Taxes and Utility Fees	8,618,452	9,826,025	10,306,405	10,899,792	11,312,168	12,096,745
Licenses and Permits	60,841	63,610	62,415	56,754	74,206	57,654
Fines and Forfeitures	101,014	175,847	190,287	175,000	170,500	176,000
Use of Money and Property	67,280	129,794	184,748	110,000	272,610	200,000
Charges for Services						
Inspection Fees	184,581	307,210	289,416	278,600	277,000	288,000
Steve Francis Foundation	2,500	0	0	0	0	0
Public Parking Facilities	48,343	46,018	32,027	45,000	30,000	30,000
Waste Collection & Disposal Charges	70,397	64,123	53,316	73,000	65,000	65,000
Recreation Programs and Services	202,738	231,029	236,740	252,000	249,500	245,500
Library Fines and Fees	15,513	11,334	13,169	12,000	13,562	14,000
Passport Services	37,103	28,690	29,904	30,000	30,000	30,000
WSSC	74,832	72,253	19,754	0	0	130,000
Copying	2,259	717	323	1,000	1,387	1,400
Advertising--Bus Shelters	11,358	6,676	4,948	6,000	12,092	10,000
Farmer's Market	3,269	3,120	3,120	3,000	3,460	4,680
Telephone Commissions	560	202	173	300	125	300
Recyclable Sales	1,374	7,908	10,868	7,000	10,000	2,000
Mulch Sales	14,847	16,554	22,158	12,000	6,135	8,000
Special Trash Pickup	6,900	7,770	9,186	8,000	8,000	8,000
Parking Lot Lease--County	0	0	0	0	1,000	12,000
Total--Charges for Services	676,574	803,604	725,102	727,900	707,261	848,880
Intergovernmental Revenues						
Police Protection (State)	394,081	432,409	479,340	411,674	412,628	400,000
SCCP Grant	305	3,500	0	0	0	0
Bank Share Tax	5,643	5,643	5,643	5,643	5,643	5,643
Library Aid	89,674	90,482	103,573	103,620	103,620	119,160
Police Rebate	453,807	454,884	564,669	564,669	564,670	630,310
In Lieu of Police	1,754,320	2,111,318	2,322,023	2,322,023	2,322,023	2,322,023
In Lieu of Roads Maintenance	250,923	339,903	430,079	442,624	442,624	442,624
In Lieu of Parks Maintenance	69,786	71,740	71,670	77,229	72,229	72,229
In Lieu of Crossing Guard	107,307	121,738	130,435	163,193	163,193	163,193
Revenue Authority--In Lieu of Taxes	5,200	0	0	0	0	0
Takoma/Langley Rec. Agreement	100,000	100,000	100,000	100,000	100,000	125,000
Hotel Motel Tax	72,739	83,929	87,725	75,000	85,000	85,000
Cable Franchise Fees	127,392	140,284	188,497	150,971	150,771	157,000
Cable--Operating	63,470	57,998	60,028	62,000	62,000	64,583
Total--Intergovernmental Revenues	3,494,647	4,013,828	4,543,682	4,478,646	4,484,401	4,586,765

FY 2008 REVENUES - GENERAL FUND

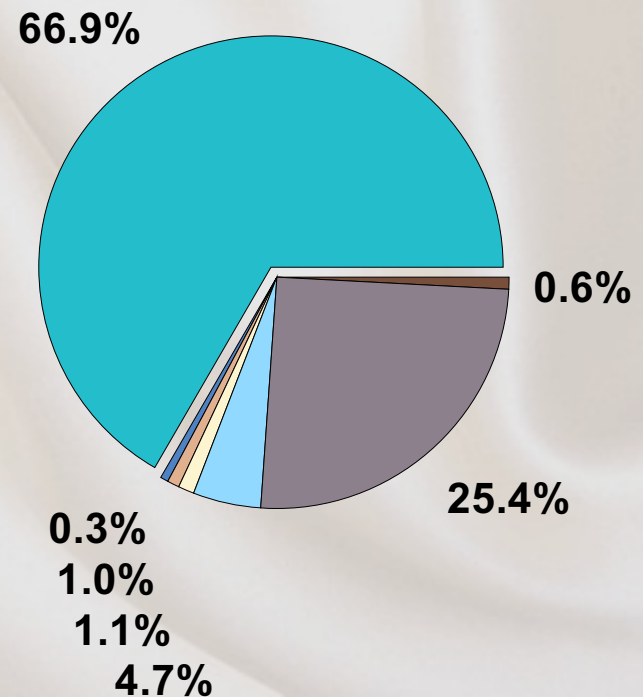
<u>REVENUES BY SOURCE</u>	<u>Audited FY04</u>	<u>Audited FY05</u>	<u>Audited FY06</u>	<u>Budgeted FY07</u>	<u>Estimated FY07</u>	<u>Proposed FY08</u>
Miscellaneous						
Tree Fund	10,000	10,000	15,000	0	0	0
Sales of Impounded Equipment	15	0	0	0	0	0
GASB Accrual Reserve	0	7,931	0	0	0	0
Other	157,998	21,642	30,996	25,000	25,000	25,000
Insurance Claims	23,096	0	43,270	2,000	8,148	2,000
Takoma Langley Crossroads	13,333	3,333	3,334	0	0	0
Sales Tax	6	0	0	0	0	0
WAH Administration Fee	26,000	26,000	0	0	0	0
Day Laborer Site	0	0	39,000	30,000	39,000	70,000
Takoma Foundation Grant	0	0	112,947	0	0	0
Administrative Fees--Parking	3,525	3,476	2,476	3,000	7,050	7,000
Donations	11,329	2,465	135	1,000	820	1,000
Total--Miscellaneous	245,302	74,847	247,158	61,000	80,018	105,000
Total General Fund Revenues	13,264,110	15,087,555	16,259,797	16,509,092	17,101,164	18,071,044

FY 08 Budget General Fund

Revenues by Type

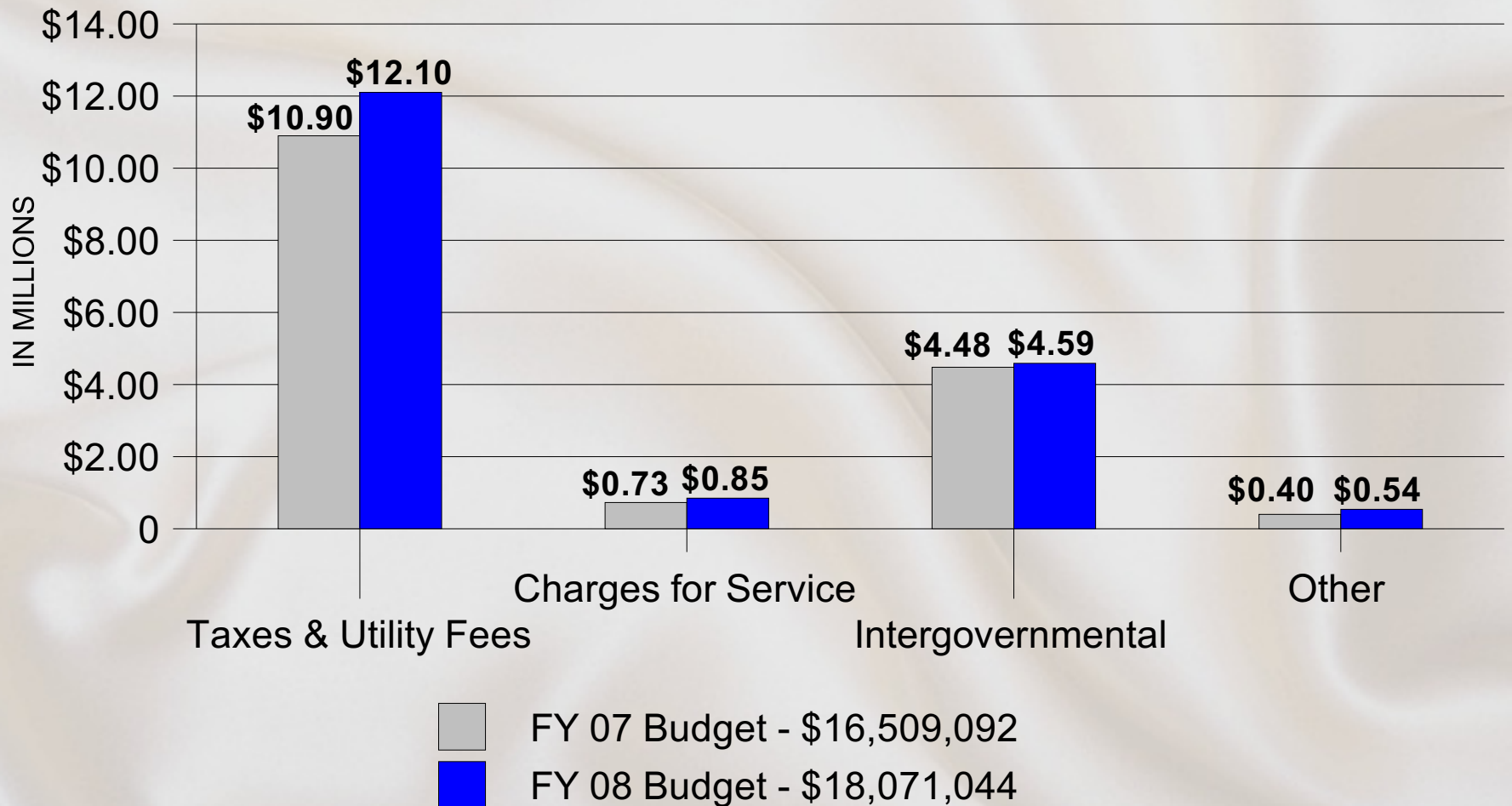
TOTAL = \$18,071,044

	Taxes & Utility Fees - \$12,096,745
	Licenses & Permits - \$57,654
	Fines & Forfeitures - \$176,000
	Use of Money & Property - \$200,000
	Charges for Service - \$848,880
	Intergovernmental - \$4,586,765
	Miscellaneous - \$105,000



FY 07 vs FY 08 Budget

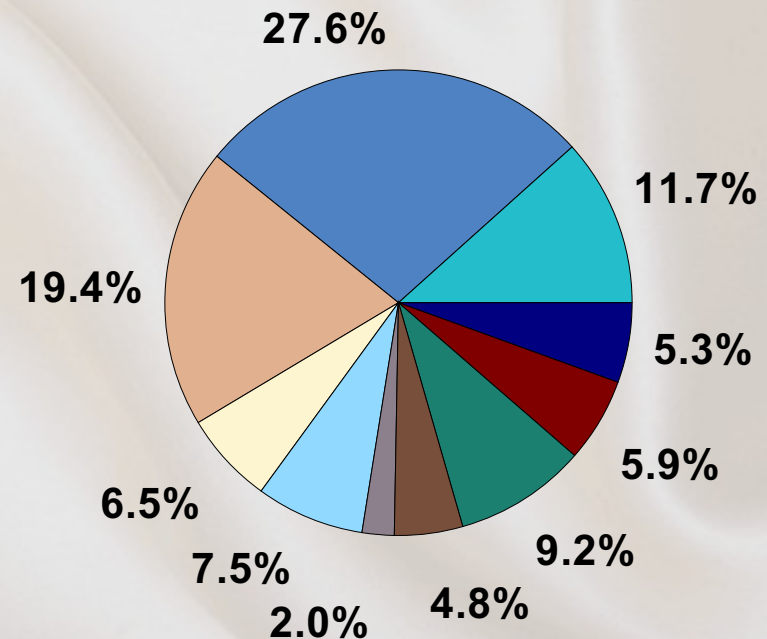
General Fund Revenues by Type



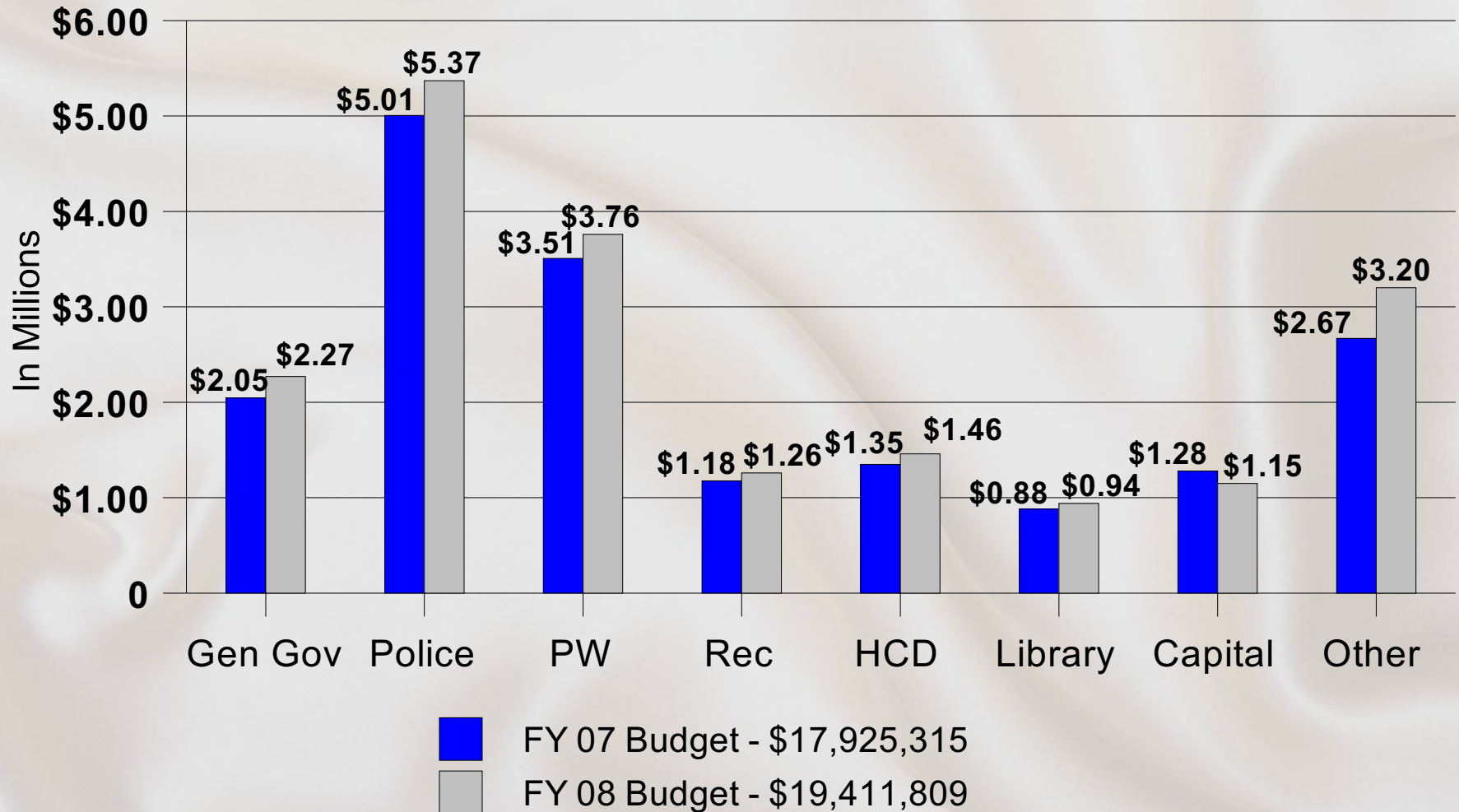
FY 08 Budget General Fund

Expenditures By Department

TOTAL = \$19,411,809



FY 07 vs FY 08 Budget General Fund Expenditures



FY 08 Budget General Fund

Full Time Equivalents (FTEs)

TOTAL = 151.36

